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801-538-5340

June 17, 1992

CERTIFIED RETURN RECEIPT P 074 978 842

Mr. Nick Murphy Murphy Mining Company 3928 Spanish Valley Drive Moab, Utah 84532

Dear Mr. Murphy:

Re: Notice of Non-Compliance, Frisco Mine, M/037/070, San Juan County, Utah

This letter is sent to notify you, that your mining operation, or portions thereof, is not in compliance with certain sections of the Utah Mined Land Reclamation Act 40-8-1 et seq and the Minerals Reclamation Program Rules R647-1 through R647-5.

Finding of Non-Compliance

Specifically, you have failed to file a Notice of Intention to commence mining operations, as required by the Utah Mined Land Reclamation Act, Title 40-8-13(1)(a), and section R647-3-101.1 of the Minerals Rules.

An inspection was conducted pursuant to Utah Code Annotated 40-8-1 et seq, at the Frisco Mine on May 12, 1992, by Holland Shepherd, of our Minerals Staff. During inspection of the site, it was found that recent mining activity had taken place (presumably within the last two years).

You may also be in violation of section 40-8-9 of the Mined Land Reclamation Act, which addresses willful and knowing violation of the Act. Murphy Mining Company was contacted June 24, 1987 by phone and letter, by Mr. Frank Filas of the Division, and was asked to file a notice and clean up the site. No Notice of Intention to Mine was ever received by the Division or the Bureau of Land Management.

Location of Non-Compliance

The specific location of the non-compliance is in the NE 1/4, SW 1/4 of Sec. 25 of T31S, R24E, San Juan County, Utah.

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Mitigation Requirements

You must cease operations immediately, and reclaim the site or submit a complete and technically adequate Notice of Intention to conduct mining operations. You must contact the Division immediately concerning development of a reclamation plan for the site. Reclamation must be completed no later than October 30, 1992, unless the mining operator is permitted.

Because the total disturbance on the property is less than five acres, it qualifies as a small mining operation. If you want to continue mining, a Small Mining Operation Notice of Intention (application enclosed) must be completed and returned to this office within ten (10) calendar days of your receipt of this letter. You cannot resume mining operations until the Division determines the Notice of Intent to be complete and adequate. You should recognize that conduct of a mining operation with five acres or less disturbance includes a statutory obligation to reclaim.

Consequences of Continued Non-Compliance

Failure to comply with these requirements within the time frame as set forth in this Notice, will result in a formal hearing before the Board of Oil, Gas and Mining. The Board, after notice and hearing, may enter an Order requiring abatement, and the assessment of civil penalties not to exceed \$10,000 dollars a day for each violation.

Please contact me or Holland Shepherd immediately to resolve this noncompliance problem.

Sincerely.

D. Wayne Hedberg

Permit Supervisor

Minerals Regulatory Program

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Enclosure

Bob Turri, San Juan Resource Area, BLM

Lowell Braxton, DOGM

Tom Mitchell, Assistant Attorney General

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